

UK. Att.

**McGowan Working Partners, Inc.**

1837 Crane Ridge Drive  
P.O. Box 55809  
Jackson, Mississippi 39296-5809  
Telephone AC 601/982-3444  
Fax AC 601/982-1879

November 4, 2004

State of Louisiana  
Office of Conservation  
625 North 4<sup>th</sup> Street  
Baton Rouge LA 70802

Attention: Mr. Todd Keating

Re: Commingling Permit Request  
LSJ 3400 "A" RA SU; Pan Am Life Ins 1 #3 – Serial No. 027629  
LSJ 3400 "A" RA SU; Pan Am Life Ins 1 #5 – Serial No. 028030  
Pan Am Life Ins 1 #2 – Serial No. 027424  
Pan Am Life Ins 2 #3 – Serial No. 114286  
Lake St. John Field  
Concordia Parish, LA

Dear Mr. Keating:

Under Order #29-D, we request that we be allowed to commingle production from the above referenced wells into the Lake St. John Unit CB, Code No. 903530

Pursuant to this request, please find the following:

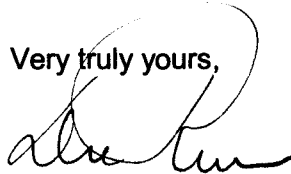
1. Diagrammatic sketch of the mechanical installation with an explanation of oil and gas.
2. Signed statements that commingling will allow accurate measurement, not create inequities, and interest owners will recover fair share of hydrocarbon produced.
3. Allocation of production to captioned wells will be determined based on monthly well tests.
4. List of known owners, affected parties.
5. Our check in the amount of Two Hundred Fifty Two (\$252.00) Dollars.

If the above cannot be approved administratively, we request a hearing date at your earliest convenience.

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If more information is needed, please advise. Thank you for your time in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'David B. Russell', written over a circular stamp or seal.

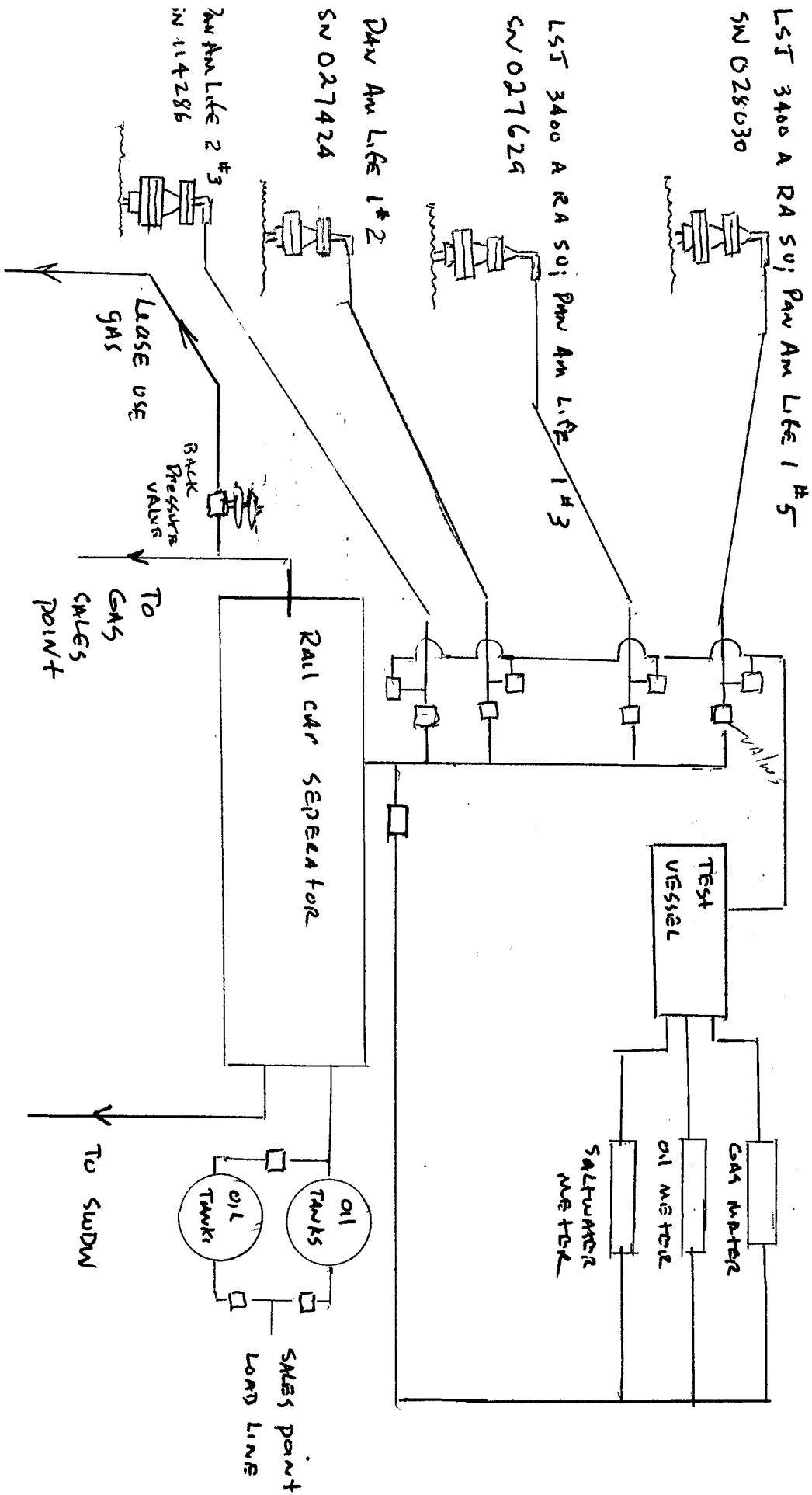
David B. Russell

DBR/fmg  
Enclosures  
sol1104

cc: State of Louisiana  
Office of Conservation  
P O Box 1651  
Monroe LA 71201  
Attention: District Manager  
Mr. Clarence Chandler

Proposed Commingling Facility  
 McGowan Working Partners, INC  
 Lake St. John Field  
 Concordia Parish, LA

LAKE ST JOHN UNIT C8  
 CODE # 903530



Explanation of flow of gas and liquid hydrocarbons  
Commingling Application  
Lake St John Unit CB Code 903530

Wells: LSJ 3400 "A" RA SU; Pan Am Life Ins 1 #3 – Serial No. 027629  
LSJ 3400 "A" RA SU; Pan Am Life Ins 1 #5 – Serial No. 028030  
Pan Am Life Ins 1 #2 – Serial No. 027424  
Pan Am Life Ins 2 #3 – Serial No. 114286

The captioned four (4) wells are pumped through a header which then flows into a separating vessel (rail car). The oil, gas and water are separated in the vessel. The oil is dumped to stock tanks where it is metered before selling through a load time to truck. The saltwater is dumped to a saltwater disposal well. The gas is vented off the top of the separator and piped into a gas sales line and or lease use as needed.

Each well can be tested by shutting of the valve at the header and flowing the product to a test vessel where the oil, gas and saltwater are metered. The product is then returned to the system downstream of the header and upstream of the separating vessel.

Testing is done on a monthly basis.